

continue participation for children less than 3 years of age receiving services before such reduction in funding.

“(B) PAYMENTS TO TERRITORIES AND FREELY ASSOCIATED STATES.—Subject to paragraph (7), for payments to Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Virgin Islands of the United States, and the Republic of Palau, except that payments to the Republic of Palau shall not be made after fiscal year 2009.

“(C) TRAINING AND TECHNICAL ASSISTANCE.—Not less than 2 percent of the amount appropriated for such fiscal year for training and technical assistance activities to foster program quality and management improvement as described in section 648, of which—

“(i) not less than 50 percent shall be available to local Head Start agencies to make program improvements identified by such agencies to use for the training and technical assistance activities described in section 648(j);

“(ii) not less than 30 percent shall be available to the Secretary to support a State-based system or a national system, in the case of migrant and seasonal Head Start and Indian Head Start programs, of early childhood education training and technical assistance to local Head Start agencies as described in section 648(n); and

“(iii) the remainder of such amount shall be available to the Secretary to assist local Head Start agencies in meeting and exceeding the standards described in section 641A(a)(1), including financial assistance to help Head Start programs address weaknesses identified by monitoring activities conducted by the Secretary under section 641A(c), except that—

“(I) not less than \$3,000,000 shall be available to carry out the activities described in section 648(c)(4); and

“(II) no more than \$5,000,000 shall be reserved to carry out the activities described in section 642B(b).

“(D) MONITORING AND TERMINATIONS.—For discretionary payments made by the Secretary, including payments for all costs (other than compensation of Federal employees) of reviews of Head Start agencies, programs under section 641A(c), and of activities carried out under paragraph (1), (2), or (3) of section 641A(d) related to correcting deficiencies and conducting proceedings to terminate the designation of Head Start agencies.

“(E) RESEARCH.—For payments for research, demonstration, and evaluation activities under section 649.

No funds reserved under this paragraph or paragraph (3) may be combined with funds appropriated under any other Act if the purpose of combining funds is to make a single discretionary grant or a single discretionary payment, unless such funds appropriated under this subchapter are separately identified in such grant or payment and are used for the purposes of this subchapter.

“(3) QUALITY IMPROVEMENT FUNDS.—

“(A) DETERMINATION OF FUNDS.—

“(i) For each of the fiscal years 2008 through 2012, to provide assistance for activities specified in subparagraph (B), the Secretary shall reserve, from the amount (if any) by which the funds appropriated under section 639(a) for a fiscal year exceed the adjusted prior year appropriation, a share equal to the sum of—

“(I) 60 percent of such excess amount; and

“(II) any additional part of such excess amount the Secretary may find necessary to address a demonstrated need for such activities.

“(ii) As used in clause (i), the term ‘adjusted prior year appropriation’ means, with respect to a fiscal year, the amount appropriated under section 639(a) for the preceding fiscal year, adjusted to reflect the percentage change in the Consumer Price Index for All Urban Consumers (issued by the Bureau of Labor Statistics) during such preceding fiscal year.

“(B) QUALITY IMPROVEMENT ACTIVITIES.—Funds reserved under this paragraph shall be used to carry out the following activities:

“(i) Not less than one-fourth of the amount reserved under this paragraph, to improve the compensation, salary scales, and benefit standards of educational staff, family service workers, and child counselors, as described in sections 644(a) and 653, to ensure that salary levels and benefits are adequate to attract and retain qualified staff for such programs.

“(ii) Providing on-going professional development to teachers that improves their understanding of child development, content knowledge, and appropriate teaching strategies needed to provide effective instruction and other school readiness services in the areas of early language and literacy, early mathematics, cognitive skills, approaches to learning, creative arts, science, physical health and development, and social and emotional development.

“(iii) Improving the qualifications and skills of educational personnel to meet the professional standards established under section 648A(a)(1), including providing assistance to complete postsecondary course work, subject to section 648A(a)(2)(D).

“(iv) Ensuring that the physical environments of Head Start programs are conducive to providing effective program services to children and families, and are accessible to children with disabilities and other individuals with disabilities.

“(v) Employing additional qualified classroom staff necessary to reduce the child to teacher ratio in the classroom and family to staff ratio for family services workers.

“(vi) Ensuring that such programs have qualified staff that can promote language skills and literacy growth of children and that can provide children with a variety of skills that have been identified, through scientifically based reading research, as predictive of later reading achievement.

“(vii) Increasing hours of program operation, including—

“(I) conversion of part-day to full-day; and

“(II) number of weeks operated in a calendar year.

“(viii) Improving the compensation and benefits of staff of Head Start agencies in order to improve the quality of Head Start programs.

“(ix) Transportation costs associated with transporting Head Start children safely, except that—

“(I) no more than ten percent of funds under this paragraph may be used for such purposes;

“(II) a Head Start agency shall demonstrate efforts to leverage the costs of transportation through collaboration with other entities; and

“(III) a Head Start agency shall submit information to the Secretary describing how such use of funds is necessary to prevent reduction or termination of transportation services or, in the case of a Head Start agency serving a rural community, how such use of funds is necessary to improve services to such community.

“(C) ALLOCATION.—

“(i) Funds reserved under subparagraph (A) shall be allotted by the Secretary as follows:

“(I) 80 percent of such funds shall be allotted among the States in the same proportion as the Secretary allots funds among the States under paragraph (4) for the respective fiscal year.

“(II) 20 percent of such funds shall be allotted among the States, geographical areas specified in subsection (a)(2)(B) and Indian Head Start programs and migrant and seasonal Head Start programs, and used to make grants to Head Start agencies, at the discretion of the Secretary.

“(ii) Funds allotted under clause (i) shall be used by the Secretary to make grants to Head Start agencies that receive grants from funds allotted under paragraph (4) for such fiscal year, in such amounts as the Secretary considers to be appropriate, for expenditure for activities specified in subparagraph (B).

“(iii) Funds received under this subparagraph shall be used to supplement, not to supplant, funds received under paragraph (2) or (4).

“(4) GRANT DISTRIBUTION.—Subject to section 639(b), the Secretary shall allot the remaining

amounts appropriated in each fiscal year among the States, in accordance with latest satisfactory data so that—

“(A) each State receives an amount which is equal to the amount the State received for fiscal year 2007; and

“(B) any amount available after all allotments are made under subparagraph (A) for such fiscal year shall be distributed proportionately on the basis of the number of children less than 5 years of age from families whose income is below the poverty line.

For purposes of this paragraph, for each fiscal year the Secretary shall use the most recent data available on the number of children less than 5 years of age from families whose income is below the poverty line, as published by the Department of Commerce, unless the Secretary and the Secretary of Commerce determine that use of the most recent data available would be inappropriate or unreliable. If the Secretary and the Secretary of Commerce determine that some or all of the data referred to in this paragraph are inappropriate or unreliable, the Secretaries shall issue a report setting forth their reasons in detail.

“(5) COLLABORATION GRANTS.—

“(A) From amounts reserved and allotted under paragraph (4), the Secretary shall award the collaboration grants described in subparagraphs (B), (C), and (D).

“(B)(i) From the reserved sums, the Secretary shall award upon submission of a written request, a collaboration grant to each State and to each national administrative office serving Indian Head Start programs and migrant and seasonal Head Start programs to facilitate collaboration between Head Start agencies and entities (including the State or national administrative office) that carry out other activities designed to benefit low-income families and children from birth to school entry. The national administrative offices shall use the funds made available through the grants to carry out the authorities and responsibilities described in subparagraphs (B) and (C).

“(ii) Grants described in clause (i) shall be used to—

“(I) assist Head Start agencies to collaborate with entities involved in State and local planning processes to better meet the needs of low-income families and children from birth to school entry;

“(II) assist Head Start agencies to coordinate activities with the State agency responsible for administering the State program carried out under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.) and entities providing resource and referral services in the State, to make full-working-day and full calendar year services available to children;

“(III) promote alignment of services with the Head Start Child Outcomes Framework and State early learning standards, as appropriate;

“(IV) promote better linkages between Head Start agencies and other child and family agencies, including agencies that provide health, mental health, or family services, or other child or family supportive services, such as services provided under section 619 or part C of the Individuals with Disabilities Education Act (20 U.S.C. 1419, 1431 et seq.); and

“(V) carry out the activities of the State Director of Head Start Collaboration authorized in subparagraph (D).

“(C) In order to improve coordination and delivery of early education services to children in the State, a State that receives a collaboration grant under subparagraph (B) shall—

“(i) appoint or designate an individual to serve as, or carry out the responsibilities of, the State Director of Head Start Collaboration;

“(ii) ensure that the State Director of Head Start Collaboration holds a position with sufficient authority and access to ensure that the collaboration described in subparagraph (B) is